

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 8/31/2007

10/5/2007

| | As of <u>8-31-07</u> | As of <u>6-30-07</u> |
|--|------------------------------------|------------------------------------|
| ASSETS: | | |
| INVESTMENTS (AT MARKET) | | |
| DOMESTIC EQUITIES | \$ 737,526,000 | \$ 770,492,688 |
| INTERNATIONAL EQUITIES | 466,147,637 | 490,001,433 |
| DOMESTIC FIXED INCOME | 358,966,519 | 344,949,636 |
| INTERNATIONAL FIXED INCOME | 87,038,894 | 84,675,151 |
| REAL ESTATE | 213,082,328 | 212,437,075 |
| ALTERNATIVE INVESTMENTS | 83,003,952 | 87,610,571 |
| INVESTED CASH (NOTE 1) | <u>16,207,888</u> | <u>16,588,981</u> |
| TOTAL INVESTMENTS | 1,961,973,218 | 2,006,755,535 |
| RECEIVABLES | | |
| DIVIDEND/INTEREST RECEIVABLE | 7,719,034 | 8,366,607 |
| CONTRIBUTIONS RECEIVABLE | 75,849 | 8,058,323 |
| MISCELLANEOUS RECEIVABLE | <u>1,541</u> | <u>3,064</u> |
| TOTAL RECEIVABLES | 7,796,424 | 16,427,994 |
| OTHER ASSETS | | |
| OPERATING CASH (NOTE 3) | 9,344,752 | 9,950,883 |
| FIXED ASSETS (NET OF ACCUM DEPR) | <u>789,382</u> | <u>789,382</u> |
| TOTAL ASSETS | <u><u>\$ 1,979,903,776</u></u> | <u><u>\$ 2,033,923,794</u></u> |
| LIABILITIES: | | |
| ACCOUNTS PAYABLE | 29,241 | 57,716 |
| ACCRUED EXPENSES | 390,333 | 483,601 |
| CAPITAL LEASE PAYABLE | 1,210 | 1,210 |
| INVESTMENT EXPENSES PAYABLE | <u>3,602,238</u> | <u>3,603,855</u> |
| TOTAL LIABILITIES | 4,023,022 | 4,146,382 |
| NET ASSETS AVAILABLE: | | |
| NET ASSETS AVAILABLE BEGIN OF YEAR | 2,029,777,412 | 1,721,308,223 |
| CASH IN DURING YEAR (NOTE 4) | 24,575,000 | 154,153,000 |
| CASH OUT DURING YEAR (NOTE 5) | 24,575,000 | 154,153,000 |
| NET INCREASE (DECREASE) | <u>(53,896,658)</u> | <u>308,469,189</u> |
| NET ASSETS AVAILABLE END OF PERIOD | <u>1,975,880,754</u> | <u>2,029,777,412</u> |
| TOTAL LIABILITIES & NET ASSETS AVAILABLE | <u><u>\$ 1,979,903,776</u></u> | <u><u>\$ 2,033,923,794</u></u> |

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 8/31/2007

10/5/2007

| | Month Ended <u>8-31-07</u> | <u>Year-to-Date</u> |
|--|-------------------------------|----------------------------|
| ADDITIONS: | | |
| INVESTMENT INCOME | | |
| INTEREST/DIVIDEND INCOME | \$ 3,987,526 | \$ 7,846,927 |
| SECURITIES LENDING INCOME | <u>686,552</u> | <u>1,374,503</u> |
| | 4,674,078 | 9,221,430 |
| GAIN ON SALE OF INVESTMENTS | 27,062,521 | 43,958,238 |
| LOSS ON SALE OF INVESTMENTS | <u>15,010,800</u> | <u>27,426,440</u> |
| NET GAINS (LOSSES) INVESTMENTS | 12,051,721 | 16,531,798 |
| INVESTMENT EXPENSES | 1,657,052 | 2,799,796 |
| SECURITIES LENDING EXPENSES | <u>655,363</u> | <u>1,289,335</u> |
| NET INVESTMENT INCOME | 14,413,384 | 21,664,097 |
| NET APPREC (DEPREC) MARKET VALUE | (27,294,361) | (58,377,806) |
| MISCELLANEOUS INCOME/(EXPENSE) | <u>(3,564)</u> | <u>16,693</u> |
| TOTAL INVESTMENT INCOME | (12,884,541) | (36,697,016) |
| CONTRIBUTIONS & ASSESSMENTS (NOTE 6) | 702,648 | 844,033 |
| PURCHASED SERVICE CREDIT (NOTE 7) | 166,570 | 211,364 |
| PENALTY & INTEREST (NOTE 8) | <u>17</u> | <u>(430)</u> |
| TOTAL ADDITIONS | <u>(12,015,306)</u> | <u>(35,642,049)</u> |
| DEDUCTIONS: | | |
| BENEFITS PAID PARTICIPANTS (NOTE 9) | 8,790,185 | 17,568,919 |
| PARTIAL LUMP SUM BENEFITS PAID | 23,353 | 216,149 |
| REFUNDS TO MEMBER (NOTE 10) | <u>163,099</u> | <u>305,425</u> |
| TOTAL BENEFITS PAID | 8,976,637 | 18,090,493 |
| ADMINISTRATIVE EXPENSES | 88,509 | 164,116 |
| TOTAL DEDUCTIONS | <u>9,065,146</u> | <u>18,254,609</u> |
| NET INCREASE (DECREASE) | <u>\$ (21,080,452)</u> | <u>\$ (53,896,658)</u> |

TEACHERS' FUND FOR RETIREMENT

10/5/2007

Notes To Financial Statements

August 31, 2007

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 3 OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 4 CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 5 CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6 CONTRIBUTIONS

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 7 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

TEACHERS' FUND FOR RETIREMENT

10/5/2007

Notes to Financial Statements

8/31/2007

NOTE 8 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 9 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 10 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.